

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

Advance Mortgage Group LLC., and
Rena Portlock, Owner and Designated Broker,
and Thomas Portlock, Owner

Respondents.

NO. C-06-015-06-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE, IMPOSE FINE,
PROHIBIT FROM INDUSTRY, AND COLLECT
INVESTIGATION FEE

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). After having conducted an investigation pursuant RCW 19.146.210 and RCW 19.146.235, and based upon the facts available as of March 10, 2006, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Advance Mortgage Group, LLC., (AMG) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on September 14, 2004, and has continued to be licensed to date. Respondent AMG is licensed to conduct the business of a mortgage broker at 316 NE 19th Ave., Portland, OR 97232.

B. Rena Portlock is Owner and Designated Broker of Respondent AMG. Respondent Rena Portlock was named Designated Broker of Respondent AMG on September 14, 2004, and has continued as Designated Broker to date.

STATEMENT OF CHARGES
C-06-015-06-SC01
Advance Mortgage Group LLC., and Rena Portlock,
Designated Broker and Owner, and Thomas Portlock,
Owner

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 C. Respondent Thomas Portlock is listed as 70% owner of AMG on Addendum A to the Mortgage
2 Broker Company Information Form submitted by AMG on January 12, 2004.

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4 **1.2 Failure to Maintain Bond.** On October 24th, 2005, the Department received notice from Platte River
5 Insurance Company that Respondent AMG's surety bond had been cancelled, effective December 1, 2005. To
6 date, Respondents have failed to notify the Department of the cancellation of the surety bond and have failed to
7 provide the required surety bond or an approved alternative.

8 **1.3 Failure to Notify Department of Significant Developments.**

9 A. As stated in paragraph 1.2, to date, Respondents have not notified the Department of the
10 cancellation of Respondent AMG's surety bond.

11 **1.4 Failure to Respond Timely and Completely to Directive.**

12 A. On November 1, 2005, the Department, by Directive sent via regular US Mail, directed the
13 Respondents to send in a copy of the replacement bond, in an appropriate amount, or the reinstatement no later
14 than November 21, 2005.

15 B. On November 11, 2005, the Department, by Directive sent via Certified US Mail, directed the
16 Respondents to send in a copy of the replacement bond, in an appropriate amount, or the reinstatement no later
17 than November 21, 2005. Respondent Rena Portlock signed the return receipt card on November 14, 2005.

18 C. As of January, 27, 2006, the Respondents have failed to provide the Department with a copy of
19 the replacement of the bond or the reinstatement.

20 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
21 Respondents continues to date.

22 **II. GROUNDS FOR ENTRY OF ORDER**

23 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
24 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to
25 file and maintain a surety bond or approved alternative with the Department.

1 **2.2 Requirement to Notify Department of Significant Developments.** Based on the Factual Allegations
2 set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e), WAC 208-660-
3 150(2), and WAC 208-660-150(3)(b), for failing to notify the Director in writing within thirty days after receipt
4 of notification of cancellation of the licensee's surety bond.

5 **2.3 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b)(i), (ii), (iii) and (iv), and WAC
6 208-660-160, the Director may revoke a license for failure to pay a fee required by the Director or maintain the
7 required bond, failure to comply with any directive or order of the Director and any violation of RCW
8 19.146.050, RCW 19.146.060(3), RCW 19.146.0201(1) through (9) or (12), RCW 19.146.205(4), or RCW
9 19.146.265.

10 **2.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the
11 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
12 the Act for any violations of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030 through RCW
13 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or failure to comply with a directive
14 or order of the Director.

15 **2.5 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i), (ii), (iii) and (iv), the
16 Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of
17 a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
18 mortgage broker or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1)
19 through (9) or (12), RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or
20 RCW 19.146.265, and failure to comply with a directive or order of the Director or failure to maintain the
21 required bond or bond alternative.

22 **2.6 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and
23 WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or other person
24 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
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the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation.

III. NOTICE OF INTENTION TO ENTER ORDER

Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 19.146.210, 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

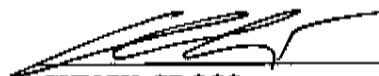
- 3.1 Respondent Advance Mortgage Group, LLC's license to conduct the business of a mortgage broker be revoked; and
- 3.2 Respondents Advance Mortgage Group, LLC, Rena Portlock, and Thomas Portlock jointly and severally pay a fine of \$3000.00 for:
 - a. Violating RCW 19.146.205(4), calculated at \$50 per day for 30 days; and
 - b. Failing to comply with a directive of the director, in violation of RCW 19.146.235, calculated at \$50 per day for 30 days; and
- 3.3 Respondents Rena Portlock and Thomas Portlock be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 3.4 Respondents Advance Mortgage Group, LLC, Rena Portlock, and Thomas Portlock jointly and severally pay an investigation fee in the amount of \$250.85, calculated at \$47.78 per hour for the 5.25 staff hours devoted to the investigation; and
- 3.5 Respondents maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent AMG's mortgage broker business, and the name, address, and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to REVOKE LICENSE, IMPOSE FINE, PROHIBIT FROM INDUSTRY, AND COLLECT INVESTIGATION FEE (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 31st day of March, 2006.



CHUCK CROSS

Director

Division of Consumer Services

Department of Financial Institutions

Presented by:



Ned Jursek

Financial Legal Examiner

Approved by:



James R. Brusselback

Enforcement Chief



**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

Advance Mortgage Group LLC., and
Rena Portlock, Owner and Designated Broker, and
Thomas Portlock, Owner.

Respondents.

C-06-015-06-SC01

**NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING**

THE STATE OF WASHINGTON TO:

Advance Mortgage Group, LLC
Rena Portlock and Thomas Portlock

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative Hearing form.

YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

Department of Financial Institutions, Division of Consumer Services
Attn: Steven C. Sherman
PO Box 41200
Olympia, Washington 98504-1200

Dated this 31st day of March, 2006.



CHUCK CROSS
Director
Division of Consumer Services
Department of Financial Institutions